



# 6.3

## Direction and growth of merchandise trade

### Direction of trade

#### High-income importers

% of world trade, 2007

Source of exports	European Union	Japan	United States	Other high-income	Total
High-income economies	29.0	2.4	7.9	12.1	51.5
European Union	22.7	0.4	2.6	3.8	29.5
Japan	0.7	..	1.1	1.6	3.4
United States	1.7	0.5	..	3.3	5.5
Other high-income economies	3.8	1.5	4.3	3.5	13.1
Low- and middle-income economies	7.6	1.7	5.8	5.5	20.6
East Asia & Pacific	2.2	1.3	2.3	3.8	9.6
China	1.7	0.7	1.7	2.7	6.8
Europe & Central Asia	3.0	0.1	0.1	0.5	3.7
Russian Federation	1.2	0.1	0.1	0.2	1.5
Latin America & Caribbean	0.8	0.1	2.5	0.4	3.8
Brazil	0.3	0.0	0.2	0.1	0.6
Middle East & N. Africa	0.9	0.1	0.3	0.3	1.5
Algeria	0.2	0.0	0.1	0.0	0.4
South Asia	0.3	0.0	0.2	0.3	0.9
India	0.2	0.0	0.2	0.3	0.7
Sub-Saharan Africa	0.4	0.1	0.4	0.2	1.1
South Africa	0.1	0.1	0.1	0.1	0.3
World	36.7	4.1	13.7	17.6	72.1

#### Low- and middle-income importers

% of world trade, 2007

Source of exports	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	Total
High-income economies	7.5	3.9	3.1	1.1	1.1	1.0	17.7
European Union	1.0	3.1	0.7	0.7	0.4	0.5	6.4
Japan	1.3	0.1	0.2	0.0	0.1	0.1	1.8
United States	0.7	0.2	1.7	0.1	0.2	0.1	2.9
Other high-income economies	4.5	0.4	0.5	0.3	0.5	0.3	6.6
Low- and middle-income economies	2.5	2.5	1.6	0.7	0.7	0.7	8.7
East Asia & Pacific	1.4	0.6	0.4	0.2	0.4	0.2	3.2
China	0.5	0.5	0.4	0.2	0.3	0.2	2.0
Europe & Central Asia	0.2	1.7	0.1	0.2	0.1	0.0	2.3
Russian Federation	0.1	0.7	0.0	0.1	0.0	0.0	1.0
Latin America & Caribbean	0.3	0.1	1.0	0.1	0.0	0.1	1.6
Brazil	0.1	0.0	0.3	0.0	0.0	0.0	0.5
Middle East & N. Africa	0.2	0.1	0.0	0.2	0.0	0.0	0.5
Algeria	0.0	0.0	0.0	0.0	0.0	0.0	0.1
South Asia	0.2	0.0	0.0	0.0	0.1	0.1	0.5
India	0.1	0.0	0.0	0.0	0.1	0.1	0.4
Sub-Saharan Africa	0.2	0.0	0.1	0.0	0.0	0.2	0.6
South Africa	0.0	0.0	0.0	0.0	0.0	0.1	0.1
World	10.0	6.5	4.8	1.8	1.8	1.6	26.4

## Nominal growth of trade

### High-income importers

annual % growth, 1997–2007

Source of exports	European Union	Japan	United States	Other high-income	Total
High-income economies	9.2	4.6	6.0	6.8	7.8
European Union	9.7	3.7	8.2	7.6	9.2
Japan	4.4	..	2.1	5.3	4.0
United States	5.4	-0.5	..	5.0	4.5
Other high-income economies	9.4	7.2	6.0	8.6	7.7
Low- and middle-income economies	15.0	9.5	12.2	14.0	13.4
East Asia & Pacific	17.7	9.6	15.3	14.1	14.3
China	25.2	12.4	21.7	18.4	19.5
Europe & Central Asia	17.4	10.1	8.5	15.0	16.4
Russian Federation	17.4	9.9	5.3	14.3	15.7
Latin America & Caribbean	11.2	6.9	9.4	12.9	10.0
Brazil	11.5	3.5	10.4	14.2	11.0
Middle East & N. Africa	12.4	15.4	27.4	16.7	14.8
Algeria	11.7	16.5	22.5	23.5	15.4
South Asia	11.6	4.7	10.6	16.0	12.4
India	13.3	7.0	13.0	17.9	14.5
Sub-Saharan Africa	7.6	9.6	14.4	6.3	9.7
South Africa <sup>a</sup>	7.2	9.6	11.2	3.6	7.2
World	10.2	6.4	8.2	8.5	9.1

### Low- and middle-income importers

annual % growth, 1997–2007

Source of exports	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & N. Africa	South Asia	Sub-Saharan Africa	Total
High-income economies	11.5	13.4	6.5	9.5	11.9	9.7	10.6
European Union	10.0	13.6	6.6	8.5	11.8	9.5	11.0
Japan	9.3	17.7	5.1	6.2	8.8	8.7	8.9
United States	8.6	8.2	6.1	7.6	14.7	8.8	7.2
Other high-income economies	13.3	12.9	8.6	13.9	11.8	11.0	12.6
Low- and middle-income economies	19.3	16.2	12.8	18.4	19.0	17.1	16.6
East Asia & Pacific	18.3	30.3	22.7	22.3	22.9	24.0	21.6
China	22.2	33.4	27.2	28.5	29.4	27.5	27.3
Europe & Central Asia	13.9	14.2	13.7	18.2	17.5	17.2	14.6
Russian Federation	13.8	14.7	14.0	22.9	16.9	18.3	15.0
Latin America & Caribbean	22.1	14.0	9.9	10.2	20.8	18.4	12.3
Brazil	18.8	15.1	10.4	13.2	15.7	20.2	12.8
Middle East & N. Africa	24.0	12.6	10.1	21.3	12.0	20.7	17.7
Algeria	59.3	8.6	10.4	23.5	14.4	3.3	14.4
South Asia	22.1	13.0	20.8	18.4	18.4	17.3	18.8
India	23.6	14.1	23.8	21.7	16.9	18.7	20.1
Sub-Saharan Africa	25.0	13.0	19.1	8.8	4.1	11.6	15.6
South Africa <sup>a</sup>	14.2	8.1	5.2	10.9	11.4	7.9	9.5
World	13.0	14.5	8.2	12.2	14.1	12.2	12.2

a. Data for 1997 are based on imports from South Africa reported by other economies because data on exports for South Africa were not available.



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## Direction and growth of merchandise trade

### About the data

The table provides estimates of the flow of trade in goods between groups of economies. The data are from the International Monetary Fund's (IMF) Direction of Trade database. All high-income economies and major developing economies report trade on a timely basis, covering about 85 percent of trade for recent years. Trade by less timely reporters and by countries that do not report is estimated using reports of trading partner countries. Because the largest exporting and importing countries are reliable reporters, a large portion of the missing trade flows can be estimated from partner reports. Partner country data may introduce discrepancies due to smuggling, confidentiality, different exchange rates, overreporting of transit trade, inclusion or exclusion of freight rates, and different points of valuation and times of recording.

In addition, estimates of trade within the European Union (EU) have been significantly affected by changes in reporting methods following the creation of a customs union. The current system for collecting data on trade between EU members—Intrastat, introduced in 1993—has less exhaustive coverage than the previous customs-based system and has resulted in some problems of asymmetry (estimated imports are about 5 percent less than exports). Despite these issues, only a small portion of world trade is estimated to be omitted from the IMF's *Direction of Trade Statistics Yearbook* and Direction of Trade database.

Most countries report their trade data in national currencies, which are converted into U.S. dollars

using the IMF's published period average exchange rate (series rf or rh, monthly averages of the market or official rates) for the reporting country or, if unavailable, monthly average rates in New York. Because imports are reported at cost, insurance, and freight (c.i.f.) valuations, and exports at free on board (f.o.b.) valuations, the IMF adjusts country reports of import values by dividing them by 1.10 to estimate equivalent export values. The accuracy of this approximation depends on the set of partners and the items traded. Other factors affecting the accuracy of trade data include lags in reporting, recording differences across countries, and whether the country reports trade according to the general or special system of trade. (For further discussion of the measurement of exports and imports, see *About the data* for tables 4.4 and 4.5.)

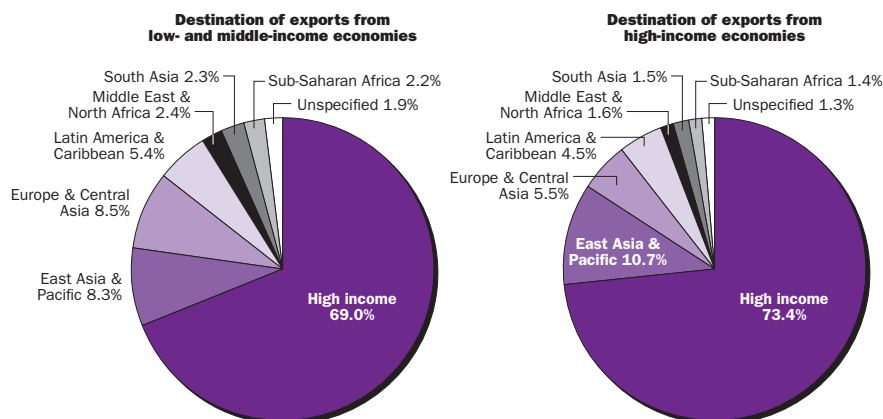
The regional trade flows in the table are calculated from current price values. The growth rates are in nominal terms; that is, they include the effects of changes in both volumes and prices.

### Definitions

- **Merchandise trade** includes all trade in goods; trade in services is excluded.
- **High-income economies** are those classified as such by the World Bank (see inside front cover).
- **European Union** is defined as all high-income EU members: Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia, Spain, Sweden, and the United Kingdom.
- **Other high-income economies** include all high-income economies (both Organisation for Economic Co-operation and Development members and others) except the high-income European Union, Japan, and the United States.
- **Low- and middle-income regional groupings** are based on World Bank classifications (see inside back cover for regional groupings) and may differ from those used by other organizations.

**In 2007 around 70 percent of exports from low- and middle-income economies and from high-income economies were directed to high-income economies**

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East Asia and Pacific and Europe and Central Asia were the two largest developing region importers from both low- and middle-income economies and high-income economies.

Source: World Bank staff calculations based on data from the International Monetary Fund's Direction of Trade database.

### Data sources

Data on the direction and growth of merchandise trade were calculated using the IMF's Direction of Trade database.